

STEVE
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MIKE R

KIM'S FILE

RE: TORRANCE/RETAIL
(REPLACEMENT SPACE)

December 6, 1995

Mr. Allan W. Mackenzie
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James M. Scofield
Vice President

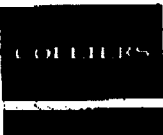
Dear Allan:

If McDonnell Douglas Corporation had a need for 500,000 square feet of warehouse space in the South Bay market, it would have to be satisfied through the lease of multiple buildings. There are plenty of buildings to choose from, as shown on the attached summary of buildings which are 200,000 square feet and larger.

The largest contiguous block of space for lease is in the 346,129 square foot building at 4300 W. 190th Street. It is in escrow to an investor, who is marketing it for lease at \$.33 NNN through The Seeley Company.

As you can see from the survey, there are several other combinations of buildings that are available, including the 747,850 square foot multiple-building "secured compound" of the Watson Land Company, which was originally developed for McDonnell Douglas. It is available at \$.36 NNN, with individual buildings asking \$.38 NNN. The rest of the market is priced from \$.295 to \$.417 NNN. Except for the Watson buildings, deals should be in the \$.27 - \$.31 range, depending upon the building and location. Watson buildings will probably lease in the \$.31 - \$.35 range, depending on the building.

The NNN to Gross charges for a "typical South Bay building", not including utilities, generally range from \$.05 - \$.06 per square foot per month. In addition, the tenant is responsible for all maintenance and repair of the premises, and all utilities. In cases where the landlord performs the exterior maintenance, the typical "CAM" charge may range from \$.01 - \$.03 per square foot per month, depending upon the extent of the maintenance and repairs provided. More recently Watson has offered a lease which combines the NNN - Gross and CAM charges, and while I do not have current knowledge of the exact charges, my recollection is that they ranged from \$.08 - \$.11 per square foot per month, depending on the building. I am not aware of any situations where the landlord pays for the utilities, and have no experience to draw upon in order to estimate these charges.



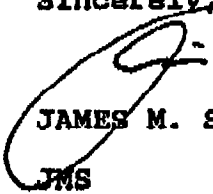
Owner/Member
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Property Consultants

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Even so, I believe that it would be possible for McDonnell Douglas to lease approximately 500,000 square feet of space in the open market at a cost well below \$.55 per square foot Gross.

I hope this answers your questions and stand ready to provide additional information as you require.

Sincerely,



JAMES M. SCOFIELD

JMS

Attachment

cc: Mike Condon



COMMERCIAL REAL ESTATE SINCE 1908

Summary of Available Industrial Buildings
SOUTH BAY AREA
December 06, 1995

Prepared for: MR. ALAN W. MACKENZIE
Prepared by: JIM SCOFIELD

Page 1

Ref Bldg	Property Address Zip Code/T.B. Map #	Avail Sqft	Land Size	Off Sqft	Amps Volts Phase	D1 GL RR	Clear Sprk	Lease Rate	Sale Price/ Per Sqft	Comments
1 3104	201 & 255 Carob St Compton, CA 90220 734/J6	200,280	396,968	9,448	1200 277/480 3	28 1 Y	22.0 YES	\$0.2950 Net	\$8,411,760 \$42.00	A 2 building complex. Yard to yard access - rail service. Very large side yards. Terrific flexibility. Vacant.
2 2161	1015 236th St E Carson, CA 90745 794/F2	200,926	354,578	45,700	1600 277/480	16 1 N	30.0 YES	\$0.3800 Net		Building #172 in Watson Industrial Center South. Heavy office. McDonnell Douglas space. Adjacent land available for 84,000 Sq. ft. expansion.
3 460	1620 Wilmington Av S Compton, CA 90220 734/H6	205,960	431,680	11,600	2000 277/480 3	40 P 3	24.0 YES	\$0.4170 Net		Considered one of the best warehouse / distribution. Huge yard area for truck & trailer parking. Excellent freeway access. Hi security facility fenced and lighted. Sublease til 5/31/99. Delivery date to be determined.
4 3045	2456 Del Amo Bl Carson, CA 90220 764/J4	208,000	POL	4,688	800 277/480 3	21 1 Y	25.0 YES	\$0.3400 Net		Class a warehouse / distribution center. Available 7/96. Large fenced yard area. Draft curtains - skylights. Fully racked/in-rack sprinklers. Material handling system.
5 3135	20101 Santa Fe Av Rancho Dominguez, CA 90221 765/B4	211,067	384,634	49,386	1600 277/480 3	25 2 N	20.0 YES	\$0.3500 Net	\$7,703,946 \$36.50	The B.U.M. International Property. Suited for headquarters, warehousing. High image facility with immediate access to 710 Freeway. Extensive security system and fully secured site. Completely refurbished in 1989 and 1992 - immaculate condition.
6 2711	18625 Reyes Av S Uninc. L.A., CA 90221 765/B2	215,635	341,510	10,000	0	13 Y	23.0 YES	\$0.3200 Net		Open listing.
7 3174	1130 230th St E Carson, CA 90745 794/D1	217,748		21,365	0	1 28	24.0 YES	\$0.3800 Net		Watson Industrial Center South. Building #143/144. Cross-dock loading. Large yards. Rate to be determined - \$.38 projected. Available January, 1996.

The information contained herein has been obtained from sources we deem reliable. While we have no reason to doubt its accuracy, we do not guarantee it.

GML GP

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SOUTH BAY AREA
December 06, 1995

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8 3173	415-501 Walnut W Compton, CA 90220 734/J7	227,970	420,354	24,440	4000 277/480 3	15	24.0 YES	\$0.3100 Net	\$8,206,920 \$36.00	Divisible manufacturing / warehouse facility. Two tenant building with separate office area, truck loading, and yard. Water and air discharge permits available. Available January 1, 1996.
9 1595	24760 Main St S Carson, CA 90745 794/D4	231,314	456,073	12,000	800 277/480 3	48 5 H	30.0 YES	\$0.3600 Net		Lease rate & Sale price TBD. Close proximity to the Ports of Los Angeles and Long Beach. Adaptable for either distribution or manufacturing. There is an existing lease with Transport Express which is on a month to month basis.
10 2661	4300 190th St W. Torrance, CA 90509 763/D3	346,129	467,834	68,240	2000 277/480 3	15 1 H	25.0 NO	\$0.3300 Net		Outstanding corporate headquarters. Location near freeways & commercial services.
11 2817	809-1015 234th St E Carson, CA 90745 764/G1	747,850	1362557	To Suit	2000 277/480	46 7	30.0 YES	\$0.3600 Net		5 building complex formerly occupied by McDonnell Douglas Buildings of 98,100, 127,608, 152,832, 168,384, 200,926 Sf. Expansion of 80,000 Sf. on adjacent land.
11 buildings printed		3,012,879 total sq.ft.								